

MEMORANDUM

To Board of Regents

From: Board Office

Subject: University of Iowa College of Dentistry Contingency Compensation Plan

Date: March 3, 2003

Recommended Action:

Approve a contingency compensation plan for College of Dentistry faculty with provisions described below.

Executive Summary:

National shortage of dental faculty	Because of a national shortage of faculty for colleges of dentistry, the University is concerned about the compensation level of current faculty.
Dental faculty not permitted extra-mural practice	Colleges which permit faculty to engage in extramural practices can offer substantially higher compensation than can the University of Iowa which prohibits extramural practices. University of Iowa faculty do generate income for the College through the College's clinics. The College has become increasingly dependent on this clinic income.
Clinic generates funds	
Contingent economic awards based on clinic income	The proposal before the Board would permit the University to provide compensation awards to the faculty based on their contributions to the clinic enterprise during the previous year. No award will exceed 20% of the faculty member's base salary and will be based on an objective scoring system that recognizes teaching, scholarship, service and patient care.

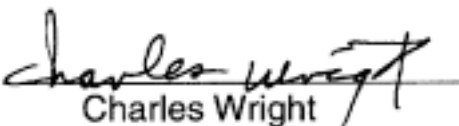
Background:

College faculty salaries behind market Extramural practice prohibited	Compensation for faculty in the University of Iowa Colleges of Dentistry (College) lags what dentists can earn in private practice. Many other colleges of dentistry permit their faculty to earn income from extramural practices. The University of Iowa does not permit its faculty to participate in such practices.
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Faculty practice in College clinic	University of Iowa dental faculty do participate in the College's clinics and the College has become increasingly dependent on clinic income.
Awards would encourage productivity	In order to encourage productivity of the clinical enterprise, the College proposes to provide faculty awards of compensation based on each faculty member's contribution to teaching, scholarship, service, and patient care. These awards would be contingent upon a pool of funds available after all expenses of the clinics have been paid and a three months' operating reserve retained. Awards would not exceed 50% of the available pool of funds. No award would exceed 20% of a faculty member's base salary. The awards would range from \$1,800 to \$21,000 and would require approval of the Dean of the College.
Awards based on criteria	
Awards not to exceed 20% of base compensation	
Recruitment and retention enhanced	The College believes this contingency compensation plan would enhance faculty recruitment and retention and stimulate productivity in the clinic enterprise.
Program reviewed after 3 years	A formal review of this plan would be conducted after three years of experience. The Board Office recommends that upon completion of the review the results be reported to the Board.

Analysis:

Clinics provide non-general fund revenue	The College needs to find sources of revenue outside the University General Fund to enhance salaries of faculty to be competitive with other colleges of dentistry and private dental practices.
Contingent awards enhance productivity of clinics	Providing contingent monetary awards based on the operation of the dental clinic provides an incentive to enhance productivity at the clinic and to enhance the College's ability to provide competitive compensation.


Charles Wright

Approved: 
Gregory S. Nichols